ANNUAL REPORT

1987/88

Alberta

CONSUMER AND
CORPORATE AFFAIRS

89-05790/

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Alberta

CONSUMER AND CORPORATE AFFAIRS

Office of the Minister

229 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2305

The Honourable Dr. David J. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit this Annual Report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1988.

Respectfully submitted,

Dennis L. Anderson
Minister

Alberta
CONSUMER AND CORPORATE AFFAIRS

Office of the Deputy Minister

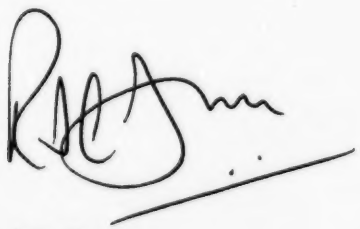
22nd Floor, 10025 Jasper Avenue, Edmonton, Alberta, Canada T5J 3Z5 403/427-4095

The Honourable Dennis Anderson
Minister of Consumer and Corporate Affairs

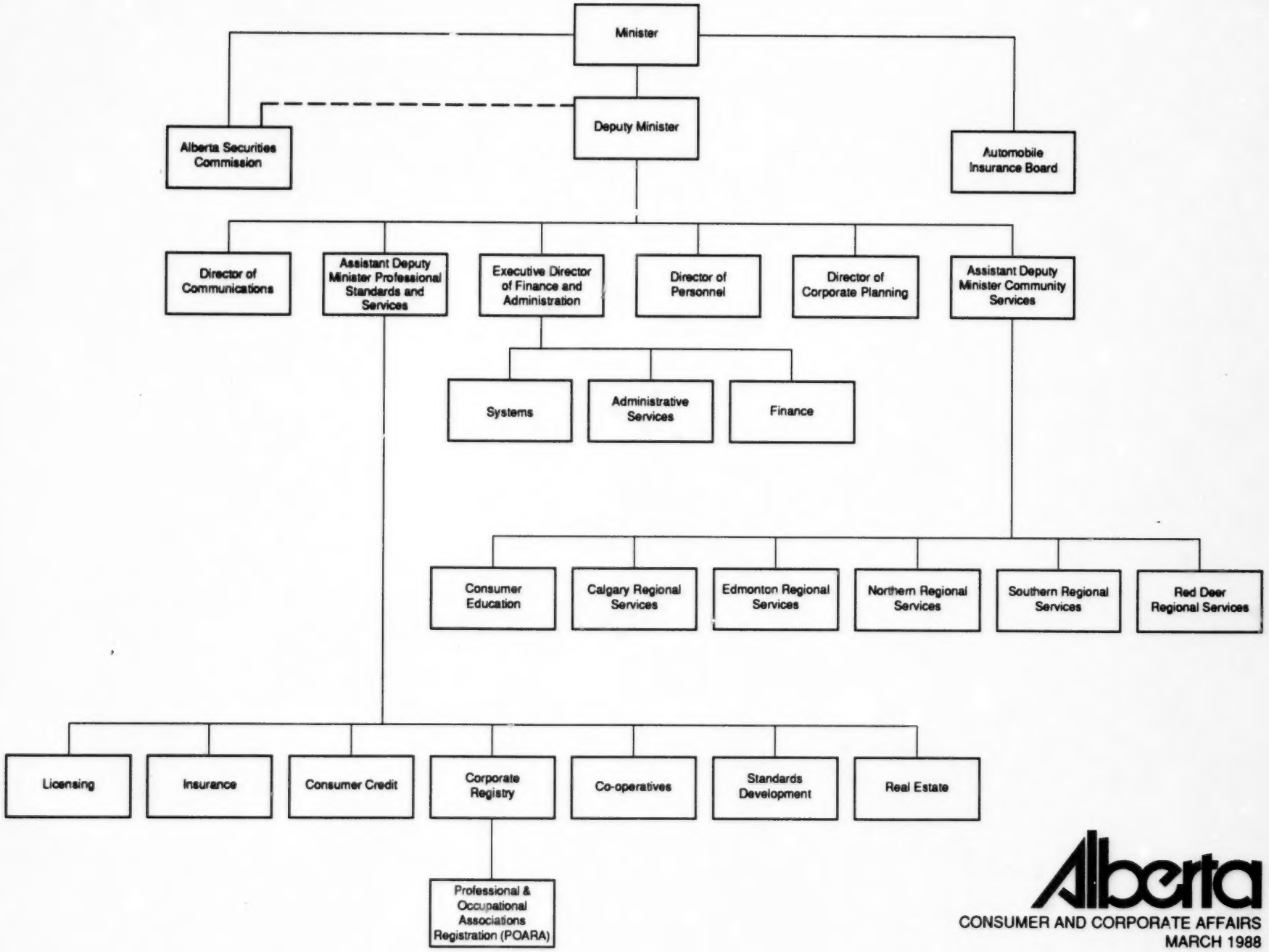
Sir:

I take pleasure in submitting the department's Annual Report for the fiscal year ended March 31, 1988.

Respectfully submitted,



R.J.C. Ford
Deputy Minister



Alberta

CONSUMER AND CORPORATE AFFAIRS
MARCH 1988

DEPUTY MINISTER'S OFFICE

Personnel

Communications

Corporate Planning

DEPUTY MINISTER'S OFFICE

Direction, focus, and support were provided to departmental staff in the continual development of a client-based, community-driven approach to serving the public. This consisted of a shift from emphasizing regulation and control, towards providing assistance and support to individuals and groups at the local level. As initiated in 1986/87, particular attention was to be placed in assisting consumers experiencing difficulty in coping in the marketplace; especially people from low income groups, native communities, immigrants, and youth. Increased financial and personnel resources were assigned to programs outside Edmonton and Calgary.

The thrust of the department's activities consisted of assisting individuals and groups to help themselves. This involved working with community agencies to help the agencies provide consumers with the skills necessary to function effectively in an increasingly complex marketplace. The department worked with industry groups and trade associations to increase industry involvement in the regulation of business and the development of higher standards of conduct and for employee qualifications.

Personnel

The Personnel branch provided the department (including the Securities Commission), the Women's Secretariat, and the Advisory Council on Women's Issues with information and advice in the areas of recruitment and selection, job evaluation and classification, employee relations, human resource development, pay and benefit administration and occupational health and safety.

Over the last year, the department was re-organized to ensure that more people were involved in service delivery.

During the year, 54 positions were filled through staffing actions. This figure includes the redeployments noted above, secondment of staff for both specific position requirements and developmental opportunities, entry level recruitment, and competitions for employment.

Forty-seven classification transactions were completed, including upward and downward reclassifications, creations and updates.

The pay and benefit staff continued to provide employees with timely compensation administration. In addition, activity increased in the pension counselling area.

Two employee grievances were launched. One case was settled within the department and the other was taken to arbitration.

Training and development activities included 68 employees taking part in courses offered by the Personnel Administration Office, 53 in courses offered by the department, 48 in courses or seminars organized by other government agencies and the private sector, and 52 in courses offered by post secondary institutions.

During the year, the Personnel branch reduced its staff and successfully continued to provide all the services required by the department.

Communications

Staff of the Communications branch provide two types of services to the department. They assist in the production of material required for the carrying out of department programs and activities, and offer public relations advice on issues arising from department programs and other legislated responsibilities.

In terms of producing various communications media - - such as posters, displays, brochures, audio visual programs, annual reports - - branch staff offer advice on appropriate choices of media, some technical aspects of production, and ultimately co-ordinate production. Almost all communications media prepared for the department is ultimately handled by the branch staff.

All department advertising is co-ordinated by branch staff.

The branch writes or assists in writing speeches and some information used in print material.

In addition to providing support services to most areas of the department during the year, branch staff served on the Committee on Fair Dealing, which was established to report to the Minister on the current and future state of consumer issues in the Alberta financial services industry.

Corporate Planning

The former research and planning unit of the department was decreased in size and renamed Corporate Planning. Beyond a new name has come a change in focus away from carrying out research and evaluation on its own, toward providing a consulting or advisory role in such areas as research methods, needs assessment, program evaluation, and policy analysis.

Among the projects undertaken during the year were research into gasoline pricing across Canada, an analysis of the issue of 'misfuelling', a comprehensive analysis of the changes occuring in the financial services marketplace and their implications, and an evaluation of the Director's Handbook for Small Co-operatives.

A main theme for the unit during the year was to draw together the various parts of the department to involve all staff to a greater degree in the planning and policy development process and in the consideration of trends occuring in the marketplace and in the external environment. By involving staff in this way, it is anticipated that corporate planning will become a total departmental activity, not restricted to one unit.

COMMUNITY SERVICES

Consumer Education

COMMUNITY SERVICES

The former program support and services division was separated into two components: Community Services; and Professional Standards and Services. The split was undertaken to reflect the functional distinction between delivery of service to the public and staff support to those providing the service.

Community Services embarked on the ambitious task of implementing much of the client-based, community-driven direction established at the beginning of the year. It was necessary to carry out the expanded responsibilities of reaching a larger audience without increasing the financial or human resources available.

Through regional offices in Lethbridge, Calgary, Red Deer, Edmonton and Peace River, and district offices in Medicine Hat, Fort McMurray, and Grande Prairie, divisional staff, in addition to their traditional duties, contacted hundreds of community agencies to identify local needs and concerns. The office staff then worked with the agencies and others in the community to address those needs. The benefit of the initiatives has been readily apparent in several areas.

For example, considerable work has been carried out with various native friendship centres throughout the province. In some offices, particularly Lethbridge, this co-operative effort has involved departmental personnel providing a comprehensive training program so that friendship centre staff can assist their clients with consumer information. Staff of the Calgary region trained crisis counsellors and educators in the Stoney Reserve at Morley.

Several valuable partnerships have developed with community groups assisting low income people in the inner city areas. For instance, the Boyle Street Community Services Co-operative, assisted by Edmonton regional staff, developed and distributed in the Edmonton inner city area an information sheet and poster on the practice of income tax refund discounting. This same information has subsequently been distributed to over twenty other community agencies.

As part of the department's involvement with immigrant groups, the Red Deer Region worked with staff of the Central Alberta Refugee Effort (CARE) to enable this agency to assist new residents in developing basic skills for day-to-day activities. Northern regional staff, particularly through inservice training for staff of organizations and agencies who regularly work with youth, provided information on money managment, living on your own, and other consumer topics relevant to youth.

Overall, staff of the regional and district offices responded to 124,304 enquiries for assistance or information. This figure does not include the many thousands of referrals that were made to assist individuals with questions or concerns in areas not related to the services of the department.

The many areas where staff provided information, advice, or resolved problems for the public included refunds, exchanges or deposits on consumer purchases, cost estimates, guarantees and warranties, telephone solicitations and door-to-door sales, buying homes or cars, insurance, charitable appeals, landlord and tenant matters, incorporating or licensing businesses, forming societies, and setting up co-operatives. In addition, formal presentations on these and other consumer-related topics were made by staff members to community groups, and extensive use was made of newspapers, radio, and television to convey important information to a wide audience.

There were 5,243 formal investigations conducted of disputes in the marketplace. In addition, a great many more disagreements were successfully mediated in a less formal manner.

In addition to their regular duties, staff of the regional and district offices are often called upon to assist in emergency situations. One example was the important work carried out by the Edmonton regional office following the tornado in Edmonton and area in July 1987, especially in providing advice and assistance on insurance and home repair matters.

Consumer Education

The consumer education program has a goal to:

- develop resources for Albertans with special needs in the marketplace;
- provide learning opportunities for Albertans to help them develop decision-making skills applicable in the marketplace;
- develop and distribute informational materials to meet consumer and business needs; and,
- provide Albertans with the tools to make informed decisions.

Media, Print and Instructional Materials

Numerous publications, print and electronic media items and instructional materials were developed in response to the diverse and changing needs of consumers. Emphasis was placed on the use of plain language. Many projects were produced in partnership with other agencies and government departments. Projects completed include the following:

- Twenty-five radio announcements on various consumer topics written for native people for broadcast on "Native Perspective," a program produced by the Aboriginal Multi-Media Society of Alberta. Scripts are broadcast in Cree as well as in English.
- The branch published in partnership with Advanced Education, three articles or supplements for "English Express," a tabloid for adults learning to read. Topics were credit, buying a used car, and returns and refunds.

- Five business-related articles were written for the Alberta Real Estate Association newsletter, two for the Calgary Better Business Bureau newsletter, and, a new initiative, one article for the publication "Alberta Auctioneer".
- As a new initiative, sixty radio scripts were translated into Spanish, Cantonese and Polish for broadcast on ethnic radio CKER.
- Forty newspaper columns on consumer topics were written and distributed to papers across the province. Seven articles were used by Alberta Energy as part of their submission to weekly newspapers for their annual autumn newspaper supplement.
- An instructor's guide on "Home Improvements: How to Hire a Contractor" was prepared to accompany a related videotape for use in an adult education course.
- The "Rental Cars and Insurance" pamphlet was written.
- An audio-visual presentation on the new Credit Transactions Act was prepared.
- "Bankruptcy and the Necessities of Life" brochure was written.
- The branch produced a one-hour live television broadcast on home improvement contracting, in co-operation with ACCESS Alberta, with a province-wide toll-free telephone line for viewers.

Award

The Department received an Award of Merit for its videotape production "Happy Endings," on the topic of home improvement contracting, from the Association of Media and Technology in Education in Canada.

Resource Centre Services

The resource centre moved from its location on Whyte Avenue to the department's central office in the downtown core. Services were realigned in order to provide additional assistance to consumer corners in public libraries and to an increasing number of departmental clients in community agencies.

The Legal Resource Centre, a resource centre for many professional groups, including teachers, took on the responsibilities for services to educators. The department transferred to the Centre, on a long term loan basis, approximately 370 publications and audio visual programs of benefit to elementary and junior high school students.

The last edition of Consumer Education Materials: An Annotated Bibliography was published in 1987. Another bibliography, Library Consumer Materials, was expanded and sent to all public libraries in the province.

The resource centre continued to maintain a consumer-oriented collection of books, audio visual materials, periodicals, pamphlets and government documents. As well as providing information services to the department, the staff provided reference and inter-library loan services to public and government libraries, post-secondary students, and to community agencies.

The resource centre circulated 1,549 items and replied to 2,325 information requests this year.

Consumer Corner Program

The resource centre was given a new mandate to provide professional library services to departmental staff and by agreement to public libraries and community agencies. Consumer information is disseminated to the public through Consumer Corners in public libraries and community agencies.

The resource centre provided a basic collection of consumer materials, including departmental publications and a periodical index to public libraries participating in the Consumer Corner program. In addition, the resouce centre served as a back-up reference service, conducted orientations for public library staff, and provided consultative services.

This year Consumer Corners were established in 26 public libraries, including 13 libraries from the newly organized Peace Library System centered in Grande Prairie. At year end a total of 136 public libraries were participants in the Consumer Corner program.

The Consumer Corner program was expanded to include community agencies. The department's resource centre provides a basic collection of consumer materials, including departmental publications relevant to the needs of the community through the agencies serving the community. The first community agency to receive a Consumer Corner was in the town of Devon.

PROFESSIONAL STANDARDS AND SERVICES

Real Estate

Co-operative Activities

Consumer Credit

Family Financial Counselling

Licensing

Standards Development

Corporate Registry

Professions and Occupations Registration (POARA)

Insurance Standards

PROFESSIONAL STANDARDS AND SERVICES

This division, formerly the programs division, is responsible for working with regional and district office staff to ensure that the programs and services of the department remain relevant in a changing Alberta society. It provides a provincial overview to programs, and acts as a liaison with industry groups and other governments concerning program areas.

Real Estate Program

The Superintendent of Real Estate works in close contact with regional and district office staff to jointly administer the Real Estate Agents' Licensing Act, Mortgage Brokers Regulation Act, Condominium Property Act, Landlord and Tenant Act, and Mobile Home Sites Tenancies Act.

Persons who deal in these areas are licensed and bonded, where required, and complaints against licensees are investigated by regional and district office staff who also conduct routine inspections to ensure trust funds are handled properly.

Real Estate Agents' Licensing Act

With the amendment of the Act in 1987, the Superintendent of Real Estate has delegated the administration of agent licensing to the Alberta Real Estate Association. The superintendent, however, is still involved in any appeal and responsible for the overall regulation of real estate agents and salespersons. The number of real estate licensees in 1987/88 is summarized in Table 1.

TABLE I

Number of Real Estate Agents

	1987/88	1986/87
Calgary	360	353
Edmonton	320	305
Red Deer	37	37
Lethbridge	30	29
Medicine Hat	28	27
Fort McMurray	15	16
Grande Prairie	17	16
St. Albert	14	16
Sherwood Park	5	10
Brooks	9	10
Lloydminster	10	10
Drumheller	9	9
Wetaskiwin	6	7
Peace River	4	5
Camrose	4	4
Towns and Villages	245	255
	1,113	1,109

Real estate salespersons do not require licensing but must write and pass a qualifying examination, be employed by a licensed agent, and be registered with the Real Estate Assurance Fund. Also, the provisions of the Real Estate Agents' Licensing Act and regulations apply and court action may be undertaken for contraventions by salespersons and agents.

Public interests are safeguarded in the sale of out-of-province real estate divided into units of lots, condominiums or timesharing projects. A prospectus providing full disclosure of relevant facts must be filed and accepted before a developer is permitted to offer a project to Alberta residents.

During the year, after investigations by department staff, the Superintendent of Real Estate conducted three hearings, and as a result one real estate license application was refused and two were suspended. In addition, one licence was cancelled after the agent had been given the opportunity to give written representation. Seven letters of reprimand were issued. (There are also cases where the police conduct their own investigations.)

Mortgage Brokers Regulation Act

Persons acting as mortgage brokers must be registered and bonded. The Act is similar to the Real Estate Agents' Licensing Act in terms of requirements for record-keeping and disclosure to consumers. Unlike real estate agents, the department still administers the licensing of the mortgage brokers. As of March 31, 1988, 59 mortgage brokers were registered in the province, compared to 62 the previous year.

Landlord and Tenant Act

Complaints against landlords are investigated by regional staff who also serve as mediators when required. The majority of complaints related to non-return of security deposit and non-payment of interest. Court action is initiated when warranted; of 8 such instances during the year, 7 resulted in convictions.

TABLE 2

Real Estate, Mortgage Broker, Condominium, and Landlord and Tenant Investigation/Inspections

	1987/88	1986/87
Real Estate	326	304
Mortgage Brokers	31	37
Condominiums	3	—
Real Estate Subdivision, Time-sharing	5	—
Landlord and Tenant	425	361
Mobile Home Sites	8	8
	798	710

Co-operative Activities

This unit is responsible for working with regional and district offices to assist co-operatives with their incorporation requirements and to encourage them in the provision of services to their members. These objectives are attained through administration of the Co-operative Associations Act, the Co-operative Marketing Association Guarantee Act and the Native Co-operative Guarantee Act.

Although sales and equity of Alberta co-ops decreased slightly during the year, assets, savings and membership showed slight increases. Twenty-five new incorporations and 26 dissolutions resulted in a net loss of one co-operative during the year.

The department works closely with other government departments, such as Alberta Transportation and Utilities, Alberta Agriculture, and Alberta Municipal Affairs, to assist Albertans in the various forms of co-operatives within the province.

Consumer Credit Program

The unit works with regional and district office staff to develop a marketplace of informed borrowers and lenders in Alberta; to foster orderly collection of accounts within certain parameters; and to assist Albertans in developing good money management skills and offer specific assistance for over-committed debtors.

Attainment of these objectives is assisted by the provisions of the Consumer Credit Transactions Act (implemented November 1, 1987), Credit and Loan Agreements Act (repealed November 1, 1987), Collection Practices Act, Wage Assignments Act, Tax Rebate Discounting Act (federal), Debtors' Assistance Act, and Part X, Bankruptcy Act - Orderly Payment of Debts provisions (federal).

In the 1987 calendar year, 281 credit-related complaints were formally investigated, as outlined in Table 3.

The highest complaint category, both by type of business and type of problem, involved the licensed collection agencies within the province. During 1987, the 46 agencies collected a total of $50,020,665,22 within Alberta on behalf of their clients.

Tax Discounting

The unit administers the Tax Rebate Discounting Act (within the province of Alberta) on behalf of the federal government and requires registration of those discounters formerly under the Credit and Loan Agreements Act and now under the Consumer Credit Transactions Act.

During 1987, the number of registered discounters fell slightly from 54 to 47, while the volume of activity increased, as shown in Table 4.

The tax discounting marketplace continues to reflect a trend of domination by larger firms operating nationally or regionally. One company has now gained 55% of the dollar volume of returns and the number of transactions conducted within the province. In total, the four largest discounters conduct 94% of the business within Alberta.

Family Financial Counselling Program

The Family Financial Counselling program is delivered by counsellors in the regional and district offices, under the authority of the Debtors' Assistance Act. The program primarily aims at helping consumers improve their money management skills. Where necessary, repayment programs are drafted for over-committed debtors to allow them to repay their obligations in an orderly fashion.

Debt-repayment programs are offered under both the Debtors' Assistance Act and the Orderly Payment of Debts provisions of the federal Bankruptcy Act. The former is a voluntary program; the latter court-ordered. Emphasis has been placed on voluntary arrangements, to allow more flexibility in dealing with client needs and creditor requirements.

A total of 28,132 requests for financial information or counselling were made either in person or by telephone. Of these, 10,388 were new clients specifically requiring credit counselling. There were a total of 114 new repayment programs initiated during 1987 under the Orderly Payment of Debts provisions and 45 under the Debtors' Assistance Board. These figures reflect the continued emphasis placed on finding other methods of resolving debtor/creditor situations. Repayment programs resulted in the disbursement of $1,397,389.00 to more than 1,100 creditors on behalf of debtors.

TABLE 3

Summary of Formal Credit Complaint Investigations in 1986 and 1987*

A. By type of business

	1987	1986
Collection Agency	122	118
Retail	91	113
Tax Discounter	31	32
Financial Institution	17	23
Finance Company	10	7
Credit Reporting	7	6
Mail Order	0	5
Personal Services	1	2
Other	12	12
TOTAL	291	318

B. By type of problem

	1987	1986
Collection Practices	93	83
Advertising	49	61
Cost of Credit	29	44
Pay-Out Calculation	16	30
Contract Liability	21	16
Unethical Practices	8	11
Cancellation of Contract	2	6
All Others (include licensing investigations)	73	67
TOTAL	291	318

*The Credit and Loan Agreements Act formerly required the Supervisor of Consumer Credit to report annually on a calendar-year basis. With the repeal of that legislation, the figures for 1987 are reported on a fiscal-year basis, consistent with the other programs in the department. The previous year figures are for the calendar year.

TABLE 4

Activity of Alberta Tax Discounters

	1987	1986
Number of Returns Acquired	105,895	88,454
Total Amount of Refunds Acquired	$85,218,392.01	$74,396,185.79
Average Refund	$804.74	$841.07
Total Discount Retained	$7,153,532.62	$6,286,997.22
Average Discount Per Return	$67.52	$71.00
Percentage of Refund Retained	8.39%	8.45%

Licensing

The licensing function is handled by regional and district office staff responsible for accepting applications and supporting documents, conducting investigations, and referring recommendations for prosecution or bond claims to the Director of Licensing. The director and other staff in the central office provide regional staff with information through an on-line system for licensing, training and consulting services, bond administration and bond claim processing, and assistance with prosecutions.

The process of licensing is governed through the authority of the Licensing of Trades and Businesses Act, Public Auctions Act, Fuel Oil Licensing Act, Direct Sales Cancellation Act, Public Contributions Act, Cemeteries Act, Prearranged Funeral Services Act and the Employment Agencies Act.

Among the businesses that require licenses are direct sellers, auto repair shops, and funeral homes. In some cases there is a requirement for bonding which allows the opportunity for consumers to be compensated through bond forfeiture when goods or services are not provided. Surety bonds posted by 21 licensees were forfeited to compensate 38 consumers where the licensees failed to provide goods or services. Claims totalled $135,806.01.

In addition, the licensing of mortgage brokers is required under the Mortgage Brokers Regulation Act and insurance agents, employees, and adjusters under the Insurance Act.

During the fiscal year, approximately 27,560 licences were issued or renewed on an annual or five-year basis, with another 3,821 already active on a two-year basis and not yet due for renewal.

A total of 1,048 campaign permits for charitable solicitations were approved by the department and six local approving authorities.

There were 17 applications received for the use of land as a cemetery with nine final certificates of approval issued.

Standards Development

Standards Development works closely with regional and district office staff under the provisions of the Unfair Trade Practices Act to ensure a fair and competitive marketplace within which buyers and sellers may operate. The principles on which the Act is based, such as truth in selling and full disclosure of information, allow acceptable standards of business conduct to be set, benefiting both the supplier and consumer of goods and services.

Administration of the Unfair Trade Practices Act has continued to emphasize the principles of consultation and co-operation with the business community. Alleged transgressions of the Act are discussed with the business concerned and, in most cases, agreement is reached without having to resort to legal action.

However, if a supplier persists in operating outside the requirements of the Act, legal action is initiated by the Director of Trade Practices in consultation with other staff by way of Statutory Undertaking or Statement of Claim.

The department's regional and district offices conducted 548 formal investigations into alleged breaches of the Unfair Trade Practices Act during the 1987/88 fiscal year.

Corporate Registry

Corporate Registry is responsible for registration functions outlined in the Business Corporations Act, the Companies Act, the Societies Act, the Religious Societies' Lands Act, the Co-operative Associations Act, the Credit Union Act, and the Cemetery Companies Act.

The registry's prime administrative function under these acts is to issue certificates to create or change the structure of limited liability corporations and societies, and issue certificates of registration to permit corporations formed in any other jurisdiction to carry on business in Alberta. It also maintains a public depository of documents required to be filed under the various provisions of these acts.

Corporate Registry maintains records on 174,266 active Alberta corporations in computerized and microfilm form. During the 1987/88 fiscal year, 17,861 corporations were incorporated or registered in Alberta by the registry. This represents a decrease of approximately .5% from the previous year. Additional comparative statistics on corporate activities during the reporting period are shown in Tables 5, 6 and 7.

Table 5

Documents Issued during the 1987 and 1988 fiscal years

	1987/88	1986/87
Business Corporations Act		
Certificates of Incorporation	14,822	14,984
Certificates of Registration	1,714	1,417
Certificates of Continuance	106	455
Certificates of Amalgamation	604	438
Certificates of Amendments	8,081	7,670
Certificates of Dissolution	11,488	10,743
Certificates of Import Continuance	137	112
Certificates of Discontinuance (Export)	440	336
Companies Act		
Certificates of Incorporation	44	44
Societies Act		
Certificates of Incorporation	1,209	1,259
Certificates of Article/By-law Changes	908	730
Religious Societies' Lands Act		
Certificates of Incorporation	35	29
Co-operative Associations Act		
Certificates of Incorporation	37	42
Credit Union Act		
Certificates of Incorporation	0	3
Cemetery Companies Act		
Certificates of Incorporation	0	0

Table 6

Documents Processed during the 1987 and 1988 fiscal years

	1987/88	1986/87
Annual Returns	131,576	129,459
Notice of Address	28,341	27,406
Notice of Directors	21,436	22,483
Debt Obligations	7,990	7,715
Discharge of Obligations	3,639	3,353
Receivers/Liquidators	508	531
Corporate Revivals	1,235	1,508

Table 7

Information Provided to the Public during the 1987 and 1988 fiscal years

	1987/88	1986/87
Telephone Searches	106,960	391,345
Walk-In Clients	70,372	56,037
Certified Document Requests	4,799	5,785
Written, Telex, Search Reports	58,847	75,728

Professional and Occupational Associations Registration

The Professional and Occupational Associations Registration Act (POARA) is an "umbrella" Act which is intended to govern a variety of professions and occupations not regulated by other statutes such as the Health Disciplines Act or the Manpower Development Act. POARA permits an association certain self-governing powers and provides for the establishment of standards in the areas of education, conduct, discipline, field of practice, as well as other aspects relative to professions and occupations.

Organizations applying for registration have as primary objectives, the protection of the public against incompetence and fraud, representation of a significant group of persons practicing an identifiable profession or occupation, as well as the advancement of the interests of that profession or occupation. A designated title and abbreviations are granted to the association for exclusive use by members of the registered association.

In processing the applications, the director of the program works closely with other government departments as well as with the Professions and Occupations Bureau. Many associations entered into discussions about possible registration, and six applied for registration:

Alberta Home Economics Association

Alberta Association, Canadian Institute of Planners

Alberta Association of the Appraisal Institute of Canada

Alberta Society of Professional Biologists

Alberta Institute of the Purchasing Management Association of Canada

Alberta Association of Landscape Architects

Insurance Standards

The insurance business in Alberta is regulated under the Insurance Act. The Superintendent of Insurance, working at times with regional and district office staff, is responsible for the general supervision of the business of insurance within Alberta and for ensuring compliance with the laws relating to its conduct.

Insurance companies, agents, brokers and adjusters doing business in Alberta are required to be licensed under the Act, with companies satisfying certain financial standards in order to be licensed. Insurance agents, brokers and adjusters must pass a qualifying examination and meet other suitability requirements in order to obtain a licence. Discussions took place during the year concerning the possibility of delegating some of the responsibilities of the superintendent to the insurance industry itself.

All insurance companies are required to file annual audited financial statements. The Superintendent of Insurance examines the financial condition of provincially incorporated insurance companies whereas the Superintendent of Financial Institutions for Canada examines the federally registered companies.

The Superintendent of Insurance works in co-operation with the federal and other provincial and territorial superintendents to maintain uniformity in insurance legislation and deal with issues relating to the industry.

Table 8

Number of Insurance Companies Licensed

	1987	1986
Provincial	8	8
Extra-Provincial Companies	18	17
Canadian registered Companies	316	317
Fraternal Associations	20	21
TOTAL	362	363

	1987	1986
New Companies Admitted	6	4
Companies Withdrawn	5	5
Companies Merged into Existing Companies	0	0

Table 9

Number of Insurance Agents Licensed
(AS AT DECEMBER 31, 1987)

	Life	Fire	Acc & Sickness	Hail	Auto	Other	1987	1986
Edmonton	1,582	523	1,007	3	14	431	3,560	3,331
Calgary	1,761	584	1,030	6	5	508	3,894	3,635
Lethbridge	135	83	81	18	1	61	379	372
Medicine Hat	57	33	26	11		31	158	135
Red Deer	152	37	107		1	45	342	328
Grande Prairie	74	18	54	4	2	16	168	149
Lloydminster	19	12	7	6	1	7	52	42
*Other Centres and Non-Residents	876	648	425	510	14	391	2,864	2,772
Employees	2	2,017	1	1	5	17	2,043	1,885
TOTAL	4,658	3,955	2,738	559	43	1,507	13,460	12,649

*Centres with fewer than 50 agents are not shown separately.

Table 10

Number of Insurance Adjusters Licensed
(As of March 31, 1988)

	1987	1986
Edmonton	143	132
Calgary	117	121
Lethbridge	18	24
Red Deer	24	17
*Other Centres and Non-Residents	75	76
TOTAL	377	370

*Centres with fewer than 10 adjusters are not shown separately.

Table 11

Insurance Complaints Resolved
(Fiscal Year Ended March 31, 1988)

Class of Complaints	1987	1986
Automobile	188	192
Fire	91	65
Life	117	96
Accident and Sickness	86	46
Travel	18	15
General (other classes)	191	160
Adjusters	2	13
TOTAL	693	587

FINANCE AND ADMINISTRATION

Systems and Administration
Financial Services

FINANCE AND ADMINISTRATION

This section provides support to the other areas of the department and the Securities Commission.

Systems and Administration

Services provided to the department by systems and administration during the 1987/88 fiscal year included support for data processing and office systems, microcomputers and a province-wide communications network. Major activities included:

- o System development, enhancement and maintenance
- o Management of the department's record system
- o Support for and operation of word processing and micrographics
- o Administrative services

Electronic data processing supports a wide range of systems that use both the Central Government Data Centre and microcomputers. Emphasis was placed on provision of system enhancements, ongoing review of changing user needs, analysis of procedures and automation of administrative systems.

The records management, micrographic, word processing, and forms units continued to provide operational support and system enhancements on a department-wide basis. The major microfilming project for the Alberta Securities Commission initiated by the micrographic unit continued; a facsimile network was expanded to facilitate communication among the various offices of the department and the public; and the range of available records services was expanded. A concerted effort to reorganize, reassess priorities, and continue development of universal department-wide systems resulted in a reduction of operational costs for the fourth successive year.

Financial Services

Table 12

Summary of Revenue for Alberta Consumer and Corporate Affairs for the Fiscal Years Ended March 31, 1987 and 1988

	1987/88	1986/87
Fees, Permits, and Licences:		
Business Corporations Act	$6,717,928	$4,599,484
Alberta Securities Commission	2,441,794	827,782
Special Insurance Brokers	82,719	324,402
Insurance Companies	435,414	312,095
Credit Union Examination	----	255,899
Real Estate Agents	59,450	48,685
Licensing of Trades and Businesses Act	575,392	145,594
Other	78,618	55,875
	$10,391,315	$6,569,816
Other Revenue:		
Refunds of expenditure	$12,553	$9,029
Miscellaneous	14,245	7,514
	$26,798	$16,543
TOTAL DEPARTMENT REVENUE	$10,418,113	$6,586,359

* NOTE:
Responsibility for Credit Union regulation transferred to Alberta Treasury.

Table 13

Summary of Expenditures of Alberta Consumer and Corporate Affairs for the Fiscal Years Ended March 31, 1987 and 1988

	1987/88	1986/87
Central Support Services		
Minister's Office	$ 362,985	$ 212,222
Executive Management	481,706	574,882
Program Support Division	2,856,414	3,892,448
Resource Development	496,997	726,188
	$ 4,198,102	$5,405,740
Regional Delivery Division	$3,956,469	$4,125,097
Registration and Regulation of Businesses		
Deputy Minister - Programs	$104,686	$ 103,824
Real Estate Standards	129,859	86,395
Licensing	293,945	340,255
Regulation of Business Practices	122,528	137,417
Regulation of Credit Grantors	128,888	118,731
Business Incorporations and Registration	2,342,596	2,346,519
Regulation of Co-operatives	60,808	61,340
Insurance Standards	213,667	277,263
Regulation of Auto Insurance Premiums	122,144	130,870
TOTAL	$3,519,121	$3,602,614
Regulation of Financial Market	$2,722,518	$2,879,362
Total Departmental Expenditures	$14,396,210	$16,012,813

ACTS ADMINISTERED BY ALBERTA CONSUMER AND CORPORATE AFFAIRS

Bankruptcy Act, Part X (the Orderly Payment of Debts provisions (federal)
Business Corporations Act
Cemeteries Act
Cemetery Companies Act
Collection Practices Act
Companies Act
Condominium Property Act
Co-operative Associations Act
Co-operative Marketing Association Guarantee Act
Consumer Credit Transactions Act (Implemented Nov. 1/87)
Credit and Loan Agreements Act (Repealed Nov. 1/87)
Credit Union Act
Debtors' Assistance Act
Department of Consumer and Corporate Affairs Act
Deposits Regulation Act
Direct Sales Cancellation Act
Employment Agencies Act
Franchises Act
Fuel Oil Licensing Act
Insurance Act
Landlord and Tenant Act
Licensing of Trades and Businesses Act
Mobile Home Sites Tenancies Act
Mortgage Brokers Regulation Act
Native Co-operative Guarantee Act
Professional and Occupational Associations Registration Act (POARA)
Prearranged Funeral Services Act
Public Auctions Act
Public Contributions Act
Real Estate Agents' Licensing Act
Religious Societies' Lands Act
Securities Act
Societies Act
Tax Rebate Discounting Act (federal)
Unfair Trade Practices Act
Wage Assignments Act